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Supreme Court Upholds Federal Response to Puerto Rico Debt.

The case concerned the constitutionality of appointments to a government board charged with restructuring billions of dollars of debt.

The Supreme Court on Monday [unanimously upheld](#) a key aspect of the federal response to the worst debt crisis in Puerto Rican history, one that threatened basic services like schools and hospitals, some \$50 billion in public pension obligations and more than \$70 billion in debts to bondholders. The crisis worsened after Hurricane Maria destroyed much of the island's infrastructure in 2017, with the commonwealth estimating that recovery costs would exceed \$139 billion.

The court ruled that members of a government board created by Congress in 2016 to clean up the financial mess had been properly appointed. Had the court come to the opposite conclusion, its ruling could have undone years of work on restructuring the commonwealth's debts.

The 2016 law at issue in the case — the Puerto Rico Oversight, Management and Economic Stability Act, or PROMESA — created an independent entity to restructure the commonwealth's debt, the Financial Oversight and Management Board. Since then, the board has tried to resolve about 165,000 claims from creditors, not always to their satisfaction.

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